

Office Memorandum • UNITED STATES GOVERNMENT

TO : Assistant Director, Current Intelligence

DATE: 7 July 1953

FROM : Chief, Soviet Division

SUBJECT: Comment on SE - 47

1. While various economic concessions have been officially announced by the East German regime, there is no evidence to indicate that they are being fully implemented. (A-1)

2. Most of the reforms (B-5) are of an economic nature not involving internal security. It seems likely that more than lip service will be required in some of the proposed reforms. The situation in East Germany is such that some alleviation will be required to prevent a complete collapse of the economy.

3. With regard to d, (p-3) we do not agree with the last sentence. The USSR did employ such force as was necessary to quell disturbances. The employment of greater violence for this purpose was not requisite and would have run counter to general Soviet objectives in Germany and in the "peace" campaign. It does not seem to us that this situation casts doubt on Soviet capabilities to use force to deal with unrest in areas outside the USSR. Large scale arrests made since the rioting indicate that more subtle means are being adopted for this purpose.

4. There is no basis in available evidence for stating that there is a probability of a SED purge within the next several months. (B-6)

5. We agree that alternative (1) is the more probable (C-8,9,10). While the second alternative is possible, the recent disorders would hardly suggest that the USSR might estimate that it could safely withdraw its forces from East Germany. We do not believe that the Kremlin is ready to give up East Germany.

6. In general, the USSR is not likely to approach a four-power conference with the two extreme alternatives presented. The modification of alternative 2 is a more likely second approach than the alternative itself. It seems doubtful that the Kremlin could even hope for a "strong communist minority" in any German elections, however.

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